

Milwaukee County Employees' Retirement System (ERS)

Investment Committee Meeting

MINUTES

Call to Order:

Chairperson, Sarah Peck called the meeting to order at 2:15 pm, on 7-6-10, in Room 203-P, of the Milwaukee County Courthouse, 901 N. 9th Street, Milwaukee, WI. 53233.

Roll Call:

Board Members Present:

Jeffrey Mawicke
Linda Bedford
Sarah Peck

Others Present

Gerry Schroeder
Ray Caprio
Brett Christenson
David Arena

One (1) handout was provided to the Board members and others in attendance:

- Private Equity Review – Marquette Associates
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1. Topic: Adam Street – Private Equity Fund

The Private Equity target for our Investment portfolio is 3%. We are approximately half way there in achieving our goal. We need to invest 40 million to achieve the target amount. Adam Street had 2.2 million in 2005 and 3 million in 2009. The objective is to diversify Vintage years. We should keep our investment level, at 7.5 million for 2009 through 2013.

There are different approaches to use. Funds can be spread out or not. ERS does not want to commit 30 million at one time and jeopardize funds during a bad economic turn. Staggering the investment is a more conservative and safer approach. During a bad economic turn, a loss of 10-50% is not uncommon

Adam Street is the premier firm in the country and extremely successful. They have performed well over a long period of time. Marquette Associates recommends that we stay with Adam Street. Adam Street is all over the world and we have sound statistical data. By the end of the year, we should have a fund commitment for Adam Street for 2011.

Private Equity will be placed on the Pension Board agenda for 7-21-10.

2. Topic: **General Updates**

Marquette Associates will not have a quarterly report for the next Pension Board. The June 2010 Flash Report will be addressed.

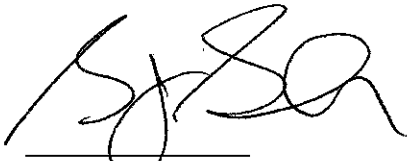
ABS and K-2's numbers are still pending. Long Short Equity is funded at a 10%, level with 60 million dollars designated. We are at 7.5% for this year.

3. Topic: **Future Topics - Discussion**

The GMO performance needs to be updated with a full assessment done. Marquette Associates will bring this to the next meeting.

Additional education on Private Equity will also be provided by Marquette Associates.

4. Adjournment: **The Investment Committee adjourned at 3:00 pm.**

A handwritten signature in black ink, appearing to read 'G. Schroeder', written over a horizontal line.

Gerald J. Schroeder
ERS Manager